

# **Achievement of Market Friendly Initiatives and Results (AMIR 2.0 Program)**

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## **Jordan Business School Selection Action Plan**

Final Report

Deliverable for Business Management Initiative (BMI) Component,  
Activity 221.1 Jordan Business Selection Action Plan  
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## Executive Summary

This report contains the findings, conclusions and recommendations resulting from a consulting assignment carried out by the author as part of the Business School Development sub-component of the Jordan AMIR project funded by USAID. The objective of the assignment was “to develop a comprehensive, time-bound work plan leading to the competitive selection of a Jordanian partner institution for the development and implementation of a sustainable graduate business school in Jordan.”

The report includes:

- ?? a needs and capabilities assessment based on previous studies and visits and interviews in Jordan during January, 2002;
- ?? an initial assessment US business school interest based on the author’s understanding of the goals and constraints for US business schools and their faculties which may shape their possible interest in participating in this project;
- ?? suggestions for the design of the Business School Development Project based on the above two assessments; and
- ?? a suggested action plan and activity schedule for 2002 leading to the implementation of the project on September 1, 2002.

Two major conclusions are drawn based on the needs and capabilities assessment:

- ?? *The need for graduate and executive business education in Jordan:* Based on both the interviews undertaken as part of this assignment and the demand study carried out in 2000, it is reasonable to conclude that there exists both the need and sufficient demand in Jordan, complimented by a supporting demand from other countries in the region, for a graduate business school offering a mix of full-time and executive MBA programs, and shorter non-degree management development programs.
- ?? *The current and potential availability of appropriate management education in Jordan:* No business school operating in Jordan is currently either offering or capable of offering the range and quality of management education programs needed by the country’s business sector.

In assessing potential US business school interest in participating in this project, care must be exercised in understanding the objectives and constraints of potential US business school partners and their faculties. These objectives may include, for the schools themselves, (i) a need for significant income to the school deriving from the deployment of its professional resources (i.e., its faculty) in activities where their marginal financial contribution to the school is highest; (ii) a need to establish or enhance the school’s presence in a variety of international locations; and (iii) a need to fully staff all regular degree and non-degree programs without resorting to an unseemly high percentages of classes taught by adjunct faculty. For the faculty themselves, additional goals and constraints may include (iv) a need to maintain one’s research momentum, (v) a need to maintain current levels of income (considering that normal daily rates for consulting or teaching in executive programs run between \$2,500 and \$5,000 at leading business schools), (vi) a need to acquire international experience through overseas faculty exchange programs, research or occasional residencies; and (vii) the *occasional* interest in spending extended time living abroad while working in the field of management

education and maintaining one's affiliation with a university. It is recommended that as a next step in the project work plan, a survey of US business school interest be undertaken in order to identify at least 5 to 10 potential partners, as well as to understand the objectives and constraints which might influence their interest in participating in the project.

After reviewing three previous studies which have been developed with regard to this project, and taking into account both the needs and capabilities assessment and the preliminary discussion of objectives and constraints to US business school involvement, an outline of a model for a graduate business school is presented.

***This model recommends that a graduate business school be established in Jordan as an independent and autonomous institution, either under the auspices of one of the existing public universities in Jordan, or as a newly established not-for-profit organization along the lines suggested for the proposed "Middle East Business School".***

A series of conditions governing the organization and programmatic scope of the proposed graduate business school are presented including Jordanian sponsorship and legal status, mission and guiding principles, and the US advisor relationship. It is recommended that the programmatic scope of the new graduate business school include both a full-time "American Style" MBA and a part-time or Executive MBA, a series of non-degree executive education programs, and supporting activities such as case writing, contract research, and faculty development.

A strategy for the development of the proposed graduate business school includes a discussion of the roles and responsibilities of USAID/Jordan, the Jordanian partner institution, and the US business school advisor.

Finally, a detailed work plan, made up of thirteen specific tasks to take place between February and October of 2002 is presented with the objective of commencing project implementation on November 14, 2002. If these tasks can be completed as presented, it is contemplated that one or two initial "prototype" non-degree executive programs might be held between January and June, 2003; and that recruitment for MBA and EMBA programs might commence during the first half of 2003 with projected program start dates in August or September, 2003.

## ***Introduction and organization of report***

This report contains the findings, conclusions and recommendations resulting from a consulting assignment carried out by the author as part of the Business School Development sub-component of the Jordan AMIR project funded by USAID. The objective of the assignment was “to develop a comprehensive, time-bound work plan leading to the competitive selection of a Jordanian partner institution for the development and implementation of a sustainable graduate business school in Jordan.”

Specific tasks associated with the assignment included familiarization with background materials, including various previous studies pursuant to the establishment of a business school in Jordan, 12 separate interviews with representatives of Jordan’s Government and private sectors, and visits to four universities and two management development institutes. (A complete list of interviews and visits is presented as an appendix to this report.)

In the course of the various interviews and meetings, and after several discussions with personnel from USAID/Jordan and AMIR, it became apparent that no single model for the development of a business school in Jordan had been completely articulated or adopted. Various different approaches, dependent on the results of this initial survey, were contemplated. Most of the discussions revolved around either the selection of one of the existing Jordanian business schools as a partner, or the establishment of a new business school with no ties to any existing institute or university. A third possibility, involving the creation of a joint public-private business school was also discussed.

Given that a decision regarding which model to pursue would necessarily govern the design of all stages of the subsequent work plan, it was necessary to address the overall design issue early in the assignment.

An overall design for the project has been developed and is presented in schematic form as Figure 1. As presented in figure 1, the final design for the business school development project should be developed following a needs and capabilities assessment, which was the primary focus of this assignment, as well as a survey of potential US business school interest in participating in the project. All subsequent tasks, including the development of RFAs for the Jordanian and US partners, and the selection of partners, will be subject to the final design of the business school development project.

This paper includes a needs and capabilities assessment based on the interviews and visits undertaken as part of this consultancy, as well as an initial assessment of US business school interest based on the author’s knowledge and experience with other partnerships between US and foreign business schools. Based on these assessments, initial recommendations are presented regarding the design of the business school development project. A final section presents an action plan and schedule of activities for the period February – October, 2002 leading to the implementation of the Business School Development Project commencing on November 14, 2002 and the presentation of the first “prototype” non-degree management development programs during the first four months of 2003.

## ***Needs and capabilities assessment***

### **1) Needs of Jordanian business sector<sup>1</sup>**

Representatives from the private sector interviewed in the course of this assignment included entrepreneurs and executives of small and medium sized businesses in the high tech sector, leaders of large Jordanian investment groups with businesses both within and outside Jordan, and senior bank executives. In all cases, a high level of dissatisfaction was expressed regarding the scope and quality of management education currently available in Jordan. These shortcomings, it was pointed out on numerous occasions, were now becoming a critical bottleneck to Jordan's continued economic development. As the economic model of the country was changing from one largely dependent on public sector spending to one based on the private sector, Jordanian companies will be required to improve their competitiveness in international markets. Specific areas of concern fell into two broad categories: those related with the limited *scope* of management education programs currently available in relation to their own needs, and those related with the *content and quality* of the management education current available in Jordan.

#### Scope

Managers interviewed indicated a need for three levels of management education, only one of which is currently available in Jordan:

?? *Bachelor of Business Administration (BBA)*: The need for well-prepared university graduates in business administration is great. However, as will be discussed in greater detail in the following paragraphs, the quality and content of current undergraduate programs is so inappropriate to the needs of Jordanian business that many business graduates fail to find appropriate work leading to the appearance of an oversupply in this area.

?? *MBA Programs*: Most of those interviewed stressed the need for a high quality MBA program designed for recent university graduates with two or three years of working experience after graduation. There is now a high demand for graduates from American MBA programs, and it is felt that such a program would compliment the normal undergraduate programs with the practical, applications orientation which is missed in undergraduate education. Opinion was divided between the need for a full-time "American style" MBA program in which students would leave their jobs, spend two full years working on their MBA to the exclusion of any other activity, and then rejoin the workforce; and a part-time or "Executive MBA" in which more experienced or older students would retain their

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<sup>1</sup> This needs assessment supplements the "Jordan Graduate Business School: A Demand Study" carried out in 2000 under USAID sponsorship. In the "Demand Study" an effort was made to quantify the demand for graduate education in Jordan. While the author does not endorse the methodologies employed in the Demand Study, no attempt is made here to refute, correct or update the estimated demand as presented. The objective of this needs assessment is to provide a qualitative assessment of the nature of the demand as perceived by representatives of the private sector.

full-time jobs and attend classes two evenings a week and/or on the weekends. Although a preference was voiced for the superiority of the full-time MBA in terms of quality, many felt that such a program would have limited demand, and that the EMBA or part-time model would be able to reach a larger number of middle managers in need of management education. On the other hand, others pointed out that only a full-time program would attract candidates from outside Amman, including from the Gulf States and other countries in the region.

?? *Non-degree Executive Education Programs:* The third strongly-felt need was for non-degree programs of varying length, perhaps including programs as long as four to six weeks or as short as one week. Such programs would focus on either general management development, or on specific areas of management, and would be targeted on serving middle managers. Several of the companies interviewed indicated that they currently send selected executives to similar programs in France (INSEAD), London or the United States.

### Content and quality

By far the most frequent and universal comment regarding existing management education in Jordan was that it was overly theoretical, out-of-date, and not focused on the needs of Jordanian business today. The programs are taught by professors who are academically qualified but lack any experience or contact with the business sector, and it was felt that the preparation received in Jordan's universities is largely irrelevant to the needs of business. The improvements in management education suggested by representatives of the private sector included extensive curriculum improvement and redesign, the introduction of new teaching methods, the use of visiting faculty from United States and European business schools, and adjunct faculty with experience in the private sector. Several of those interviewed were insistent in pointing out that the universities are, in general, of high quality and that some of the faculties – medicine was mentioned frequently – are of exceptionally high quality. On a theoretical level, few had complaints, and graduates of Jordan's business school are perceived as intelligent and well-educated, but lacking in the skills necessary to be useful in a business environment.

While opinion was divided regarding the potential of any of the existing business schools to offer the sort of management education required by the business sector in the future, there was universal agreement that no business school in Jordan is capable of offering such programs today.

## **2) Capabilities of Jordanian business schools and institutes**

Visits were made to three of Jordan's top public universities<sup>2</sup> and a leading private university<sup>3</sup>, where interviews were held in each case with the President and Dean of the

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<sup>2</sup> Site visits were made to the University of Jordan in Amman and the Yarmouk University in Irbid. Due to a last minute scheduling change, interviews with the senior management of the Hashemite University were held in the offices of the Ministry of Higher Education rather than on its campus in Zarka.

<sup>3</sup> Unlike the United States, private universities in Jordan are a fairly recent phenomenon and tend to be organized as profit-seeking investments by groups of wealthy individuals. All have been established (and accredited) within the past ten to fifteen years due to the lack of capacity of the public universities to



Business School (or Faculty of Economics and Administrative Sciences). All three public universities present an attractive and well-maintained physical plant, and support large, full-time, Ph.D.-level faculty in the majority of their teaching positions with additional faculty pursuing Ph.D. programs abroad with university sponsorship.

*Faculty:* Business faculty members do not appear to have much involvement at all with the business sector, either through consulting activities or through such academic-related activities as research, case writing or executive education. Faculty members – and business faculty members in particular – are, however, subject to attractive offers to leave the public university in order to work at private universities for higher pay. Due perhaps to the increasing financial gap between career opportunities in education and the private sector, universities report that they are experiencing increasing difficulties in attracting the brightest students for academic careers and Ph.D. programs in business, and are consequently seeing greater numbers of their future faculties pursuing their doctorates at lesser-known universities in the U.K. and the United States. (Several of those with whom we spoke complained of the difficulty in attaining sufficiently high GMAT scores to enter the better Ph.D. programs, but seemed to attribute this problem to a “cultural bias” in the GMAT itself.)

The use of adjunct faculty from the business sector is apparently not widely practiced in the leading business schools. The presidents of all three universities interviewed explicitly denied that regulations regarding part-time employment, or a need for a Ph.D. stood in the way of using more adjunct faculty. However, anecdotal evidence suggests that real or perceived barriers – often raised by the full-time university faculty – effectively limit or prohibit the use of adjuncts with business experience.

Finally, Jordan’s business school faculties do not include business internships, field projects or other similar opportunities for students to gain exposure to Jordanian businesses in their curricula. They also do not engage in any sort of case writing to document the experience of Jordanian companies for use in the classroom. While all universities report that their faculties are actively engaged in scholarly research, it is unclear how practical or applied such research is to the Jordanian business sector.

*Programs:* Most of Jordan’s management education programs are offered in the form of undergraduate business majors (BBAs). A relatively more limited number of MBA and similar graduate-level programs are offered by the public universities, but not by any of the private universities. These programs are offered within the same university “faculty” using the same instructors as those teaching at the undergraduate level. The total number of students studying at the MBA level is, on average, only a very small fraction of those enrolled at the undergraduate level (2% - 6% using available data), and the percentage of accepted MBA candidates who successfully complete their degree programs is also surprisingly low – less than 50%. While undergraduate programs are offered in both day-time and evening formats, the MBA programs tend to be offered only in the evening

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provide for the needs of all those wishing to pursue a higher education. Private universities – where tuition is as much as ten times the level charged at public universities – generally accept students whose grades are insufficient to qualify them for admission to a public university. Due to the generally lower quality students and a perception regarding lower standards, private universities do not enjoy a reputation for quality education or research in Jordan.

format although they are considered to be full-time programs. Undergraduate programs involve a total of approximately 120-130 credit hours, or four years of full-time study, which is similar to the requirements of their US equivalent. Masters programs, however, are less intensive than their U.S. equivalent, averaging 27 credit hours plus a thesis (equivalent to 9 credit hours) as compared to an average of 60 credit hours for an MBA in most US universities.

No university currently offers an Executive MBA (EMBA), although plans are currently underway for a week-end EMBA to be offered by a French business school (*Ecole Supérieure des Affaires* - ESA) under the auspices of the University of Jordan. No permanent longer-term non-degree management development programs designed to serve the needs of mid-level management are currently available in Jordan.

The scope and duration of this assignment does not permit the author to draw an informed conclusion regarding any possible ranking among the three public universities in terms of the quality of their existing management education programs or their respective potentials to create new programs more relevant to the needs of the business sector. All three universities appear to enjoy the active support of the government and are provided with generous budgetary support for faculty development as well as new facilities. The University of Jordan, as the country's largest and most centrally located major university enjoys a high level of prestige in general, although its business school is, as reported earlier, perceived by the business sector as largely irrelevant, and its faculty as perhaps the biggest obstacle to change. Yarmouk University, which is located in Irbid, some 70 kilometers north of Amman, is widely perceived to maintain excellent academic standards, but is also disconnected from the business sector. It is currently considering establishing more of a presence in Amman with the idea of offering executive programs there, although much of the discussion appears to involve the use of videoconferencing between Irbid and Amman, rather than the initiation of regular executive level classes in Amman. The Hashemite University, which is the newest of Jordan's major public universities, is still under development and currently has approximately 35 full-time faculty members, with another 19 in Ph.D. programs abroad. It is actively expanding its program offerings, including several new and innovative MBA programs in specialized fields such as financial economics. Hashemite University also displays the most aggressive effort to establish linkages with foreign universities of the four universities visited.

The one private university visited – The Al-Ahliyya Amman University – is not now engaged in significant faculty development, program development or research activities. While professing its intention to expand into an MBA sometime in the future, it did not appear to possess the necessary resources to significantly expand its scope of work beyond its undergraduate programs at the present time.

In addition to the degree programs offered at public and private universities, a limited number of non-degree programs, generally lasting from one to five days, are available through various business associations, including the World Trade Association. Such programs tend to be offered on a one-time basis using prominent speakers or faculty members flown in for the occasion. In the case of the World Trade Association, a more permanent relationship has been formed with several US business schools in order to

arrange and facilitate short seminars. Other programs, offered by private firms, feature well-known speakers who appear in Amman as part of a more extensive speaking tour.

Two additional specialized management training institutions were visited during the course of the assignment – the Jordanian Hospitality & Tourism Education Company, an affiliate of the Jordan Hotel Association; and Institute of Banking Studies, which is sponsored by Jordan's banking sector. Both institutes appear to offer a variety of programs focused primarily at providing a mix of vocational and university-level education with a decidedly more practical orientation than courses available at Jordan's universities. The focus on most programs appears to be at entry or near-entry level positions, and some dissident comments were heard from representatives of the private sector regarding their relevance for higher level programs. The Institute of Banking Studies relies on a mix of its own full-time instructors, and visiting adjunct faculty from the banking sector, while the Hospitality & Tourism Education Company has its own teaching staff – and its own hotel to use for internships. The Hospitality & Tourism Education Co. is also in discussions with Boston University to offer specialized programs or possibly some sort of a joint program in Jordan. While both programs certainly are appropriate for their selected niches, neither offers the potential to develop into a broader-focused institution offering the kinds of programs sought by Jordan's business sector.

### **3) Conclusions and additional work required**

Conclusions may be drawn based on both the interviews undertaken during this assignment and the more formal demand study carried out previously, with regard to both the nature of the demand for management education in Jordan, and the current and potential ability of existing educational institutions to meet that demand.

***1. The need for graduate and executive business education in Jordan: Based on both the interviews undertaken as part of this assignment and the demand study carried out in 2000, it is reasonable to conclude that there exists both the need and sufficient demand in Jordan, complimented by a supporting demand from other countries in the region, for a graduate business school offering a mix of full-time and executive MBA programs, and shorter non-degree management development programs.*** It is reasonable to expect that the nature of this need and demand will be sufficient to sustain a graduate business school with its own full-time faculty over the long term provided that:

- ?? The school is established in partnership with leaders of Jordan's business community who pledge their support not only to establish the school, but also to send their employees;
- ?? The quality of the programs offered is (and is perceived to be) of the highest international standards, supported through a partnership or strong affiliation with a leading business school in the United States;
- ?? The teaching staff is drawn from a combination of visiting faculty from the US business school partner or affiliate, part-time local faculty with significant business experience, and full-time Jordanian faculty who have received their doctorates from leading US or European business schools and who also have had some business experience or significant contact;

- ?? The school is dimensioned and staffed at the minimum size necessary in order to permit and insure sustainability; and
- ?? The mix of programs offered is selected in close consultation and partnership with representatives of the business community.

**2. The current and potential availability of appropriate management education in Jordan:** *No business school operating in Jordan is currently either offering or capable of offering the range and quality of management education programs needed by the country's business sector.* Those few MBA programs which do exist are perceived as being too theoretical to meet the needs of the business sector, as well as unavailable in formats which make them easily accessible to middle managers. With the exception of one-time short management seminars offered on a contract basis by outside organizations, no non-degree programs are available at all inside Jordan to middle and upper level executives.

Given the institutional and professional foundations of several of Jordan's universities, it is possible that one or more of them might develop a capacity to offer a broad range of practical and relevant programs of management education. In order to do so, however, they would have to establish a graduate business school as a largely independent entity, closely aligned with the business sector and a US partner business school, and with an internal organization and structure vastly different and independent from the traditional university organization and structure.

Alternatively, a new business school, independent in all respects from any of the existing public (or private) universities, might be established with an institutional design specifically tailored to meet the needs of the business sector. One such possibility would be the proposed Middle East Business School, which is to be established as a non-for-profit organization by a group of business leaders in Jordan.<sup>4</sup>

In either case, in order to meet the requirements presented above to insure sufficient demand, the new graduate business school will require substantial outside funding support during its start-up phase in order to establish and maintain a partnership or affiliation with a US business school, as well as to finance its initial installation and set-up costs (including the possible construction of facilities and purchase of appropriate equipment), and to subsidize its operations during the start-up period.

The two primary conclusions presented above are sufficiently well-founded so as not to require additional work to support them. However, in order to compile a complete list of qualified potential applicants for a grant to establish a graduate business school in Jordan,

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<sup>4</sup> The proposed Middle East Business School has been the subject of numerous previous studies, including the aforementioned "Demand Study". Its sponsors have formally applied to the Council of Higher Education for a license to establish and operate the school. Although apparently enjoying the backing of several ministers and public university presidents, the application has not yet been accepted. We were told informally by one university president that the application had, in fact, been approved in principle by the Council, but that some procedural issues must be cleared before formal approval is granted. Given the presence of a new law of higher education and a newly appointed Minister of Higher Education (who is the former President of the University of Jordan), it will be important to follow the progress of the license application closely. Without the license, it will be impossible for the proposed Middle East Business School to be considered as a possible candidate to participate in this project.

several additional public universities should be visited, including the Mu'tah University and the Jordan University of Science and Technology (JUST). It will also be critically important to closely monitor the progress of the sponsors of the proposed Middle East Business School in obtaining a license from the Council of Higher Education to establish and operate the school.

## **Assessment of US business school interest**

### **a. Goals and constraints for U.S. business schools and their faculties**

While some informal surveys of the potential interest of selected US business schools in participating in this project were carried out during the proposal preparation phase, information was gathered primarily from published sources and did not always include either direct contact with potential partners nor a consideration of the requirements and expectations of the potential partners in entering into such an arrangement.

There is a long and unfortunately not always successful history of USAID-sponsored partnerships between US business schools and business schools in developing countries. The key to a successful partnership among business schools – like the key to any successful alliance or joint venture – lies in achieving symmetry of goals and expectations between the partners. Each partner must have clear idea of what it expects to achieve through the partnership, and these goals and objectives must be clearly understood and accepted by the other partner.

Business schools and their faculty frequently present a complex array of goals and constraints which must be thoroughly understood and creatively addressed if an overseas partnership is to prosper. These generally include a mixture of academic, institutional, and financial goals and constraints.

At an institutional level, the following goals and constraints are generally present:

- ?? A need for significant income to the school deriving from the deployment of its professional resources (i.e., its faculty) in activities where their *marginal* financial contribution to the school is highest. In practice, this generally means that alternative uses of faculty time must be at least as profitable as the school's executive education programs, or must utilize faculty resources who would not otherwise be engaged in executive education programs.
- ?? A need to establish or enhance the school's presence in a variety of international locations in order to enhance its image as a global institution, to enable it to recruit faculty and students from the region for its own programs, and to offer its faculty and students opportunities for research and short term exchange programs.
- ?? A need to fully staff all regular degree and non-degree programs without resorting to an unseemly high percentage of classes taught by adjunct faculty. No school has excess faculty capacity among its tenured and tenure-track faculty, and all employ some adjunct faculty (who may range from graduate students to full-time non-tenure track academics) to fill out their staffing plans. A high use of

adjunct faculty is perceived by both the permanent faculty itself and the public it serves as detrimental to the long-term quality and consistency of the school's academic program. The assignment of a regular faculty member to an overseas post effectively takes that faculty member out of circulation for staffing purposes and forces the school to hire additional adjunct faculty.

At the individual faculty level, the following additional goals and constraints must be considered:

- ?? A need to maintain one's research momentum. This is especially important for tenure-track faculty at leading business schools where tenure decisions are largely influenced by the candidate's record of research and publication. Overseas assignments are generally considered detrimental to a faculty member's progress towards tenure, and those who do accept overseas assignments from leading business schools tend to be either tenured professors of faculty who are not on the tenure track.
- ?? A need to maintain current levels of income. For tenured faculty at leading business schools, this typically includes significant extra income over and above the regular nine-month base salary. A not uncommon expectation by tenured professors at leading business schools is to at least double their salary with outside earnings. Additional income is normally earned through consulting contracts or by teaching in the school's executive education programs, where daily compensation may range from \$2,500 to \$5,000 or more.
- ?? A need to acquire international experience through overseas faculty exchange programs, research or occasional residencies. Business school faculty are under strong pressure to introduce more international content into their courses, and in some (but unfortunately, not all) cases, their research. Opportunities to acquire international experience are not necessarily of interest to all faculty members, but are attractive to a significant sub-set of each business school faculty. However, overseas experiences for professional development purposes generally imply a fairly limited period of physical presence abroad (e.g., short term teaching assignments or a one-semester or one-year sabbatical), and are not likely to be repeated.
- ?? A genuine interest in spending extended time living abroad while working in the field of management education and maintaining one's affiliation with a university. For a small sub-set of business school faculty, the prospect of spending a year or more living abroad presents an attractive opportunity for personal as well as professional growth. Such faculty may not always be present at any given school, and may or may not be members of the school's tenured faculty. It is possible that such an individual might be specifically hired by a business school in order to anchor an overseas project in which members of the school's regular faculty played a more short-term role.

## **b. Additional work required**

The discussion of U.S. business school goals and constraints presented in the previous section is based on the author's experience with international academic partnerships, and is intended to inform the initial design of the Business School Development Project, which is addressed in the next section.

An important task to be undertaken prior to the final design of the BSDP and the selection of a US business school to participate in the proposed project will be to carry out a survey of potential interest among a selection of US business schools. This task should involve the following sub-tasks:

- ?? Identification of 5-10 potential partner schools using published materials including the various business school rankings, reports and articles focusing on business school overseas alliances, and Internet web sites of the schools themselves. One important source of preliminary information will be the Association to Advance Colligate Schools of Business – AACSB International, which tracks the international partnership of its member schools.
- ?? Site visits, or at a minimum, telephone interviews, with each school identified in order to determine its potential interest in participating in the project, and the conditions under which such participation might be possible.

The results of this survey will contribute to the final design of the business school development project and to terms under which a US business school partner would be contracted.

## ***Initial design of Business School Development Project***

The final design of the Business School Development Project (BSDP) must be informed not only by the results of this assessment, but also by the results of the Survey of potential interest among US Business Schools, as discussed in the previous paragraphs, and should benefit from dialogue among representatives of the AMIR team and USAID/Jordan. The following paragraphs are offered as input to the final design, based on the results or prior studies, the assessments reported on in this report, and the author's general experience in this field.

### **1. Review of previous studies**

Three previous studies have been carried out pursuant to the objective of establishing a graduate business school in Jordan. While all three implicitly contemplate the establishment of a new business school which is independent from any existing university, they are also relevant to the possibility of establishing a graduate business school as part of an existing university.

*“Pre-Feasibility Study for the Jordan Graduate Business School” submitted to USAID/Jordan by Development Associates in August, 1989*

This very well-written study provides both a survey of the demand and a detailed blue print for the establishment of a graduate business school, with major emphasis on the structure, organization and major policies which would guide its establishment. While the

financial pro-formas are obviously out of date, the remaining conclusions and recommendations are most relevant and may be accepted as a starting point for the final design of the new graduate business school.

*“Jordan Graduate Business School: A Demand Study” presented to the Jordan-US Business Partnership (a USAID funded program) by CDG engineering + management associates / Community Development Group in July, 2000*

This report, referred to in the first section of this report, attempts to quantify the demand for graduate management education in Jordan. It bases its conclusions on numerical estimates or extrapolations of demand from six separate sources: applicants to existing MBA programs at Jordanian Universities or institutions; B.Sc. graduates of private schools; Jordanians now studying in the US, UK, France, AUB, and AUC; Arabs studying in US, UK, AUB, AUC; Arabs from Gulf States; and “Employer MBAs”. The study uses “proportionality factors” to estimate the percentage of the total “pool” of potential applicants from each source which might demand a graduate business education at the proposed new Graduate Business School, but neither justifies its proportionality factor estimates, nor presents a credible figure for size of several of the pools. It also makes no attempt to estimate the part of each pool which might be able to score sufficiently high on the GMAT or other standardized test to qualify for admission, nor how the level of tuition charged might impact the demand for graduate business studies.

The report indicates that the “total potential demand” for the Graduate Business School would fall between 337 and 460 students per year, presumably for the full-time program. As has been indicated elsewhere, this writer cannot endorse the methodology utilized to obtain these estimates, and therefore cannot endorse the reliability of the estimates themselves. While as discussed in the first section of this report, there does appear to be a need in Jordan for a Graduate Business School (the 1989 study arrived at the same conclusion based on a similar survey of the business sector), this writer strongly recommends that the school be dimensioned so as to obtain financial sustainability at the *lowest possible level* of enrollment. This probably means one section of between 35 and 60 students per year in a two-year program, with a similar number enrolled in an evening Executive MBA. An attempt to build a larger school runs the risk of having underemployed faculty, unused classrooms and an expense budget which cannot be met with a limited student enrollment.

*“Middle East Business School (MEBS): Feasibility Study for Establishing a Graduate Business School in Jordan” presented by the Jordanian Association of Business Administration – a group of potential sponsors of the MEBS in August, 2000*

This study presents the rationale and a series of guiding principles to govern the establishment and operation of an independent graduate business school, and includes financial projections for the first ten years of operation. The study is based on assumptions regarding enrollment which fall considerably outside the range suggested in the previous paragraphs, and makes a series of assumptions regarding costs which are difficult for this writer to evaluate. The study projects a maximum cumulative deficit of approximately US\$5.0 million, which it suggests will be financed by members of the Jordanian business community. (This figure includes a charge of \$125,000 per year for



depreciation of facilities; the maximum cumulative negative cash flow, not including the cost of facilities – estimated at \$2.5 million – would be approximately \$4.3 million.)

Due to the differences in the scale of operations recommended in the MBES study and those recommended by this writer, as well as other technical considerations related with the operating plan for the proposed business school, it will be necessary for a new business plan to be developed which is consistent with the final design for the graduate business school.

## **2. Outline of Graduate Business School model**

As discussed in earlier sections of this report, there is a need for MBA, Executive MBA and non-degree executive education programs in Jordan which are sufficiently different from those currently available so as to require a new graduate business school with the institutional flexibility and independence to assemble the necessary curricular, faculty, and financial resources. Such a new graduate business school might take the form of an independent and autonomous division operating with the sponsorship, accreditation and general oversight of an existing public university in Jordan, or of a newly-created independent graduate business school established as a not-for-profit corporation and accredited by Jordan's Council of Higher Education. In either case, a series of conditions regarding the organization and scope of the new school should be met so as to insure the school's ability to fulfill the management education needs of Jordan's business sector.

### ***Organization***

*Jordanian sponsorship and legal status:* The proposed graduate business school must be established as an autonomous, independently-governed educational institution with its own bylaws and regulations, governance structure and operating policies, and its own independent facilities, faculty and staff, financial structure and patrimony.

?? As an autonomous division of an existing university, it would be governed by its own independent Board of Trustees which would be appointed by and report to the President of the University. Its accreditation would derive from the university's institutional accreditation by the Council of Higher Education.

?? As an independent and unaffiliated Graduate Business School organized as a not-for-profit organization, it would be governed by a self-perpetuating Board of Trustees initially made up of the school's founding sponsors, and receive its accreditation directly from the Council for Higher Education.

*Mission and guiding principles:* The graduate school's mission would be expected to focus on the provision of graduate degree and non-degree programs in business management appropriate to the needs of Jordan and the Middle East's business sectors, at a quality level reflecting the leading business schools in the United States and Europe; and on business research undertaken by its faculty in direct support of its teaching mission.

It would be expected that the school's guiding principles would include:

- ?? A level of excellence in all its academic activities and the faculty, staff and physical resources required to support them, comparable to those of leading business schools in North America and Europe;
- ?? Permanent and deep relationships with the private sector in Jordan and other countries in the region in order to insure the continued relevance and applicability of the curriculum as well as to facilitate recruiting and placement of its graduates;
- ?? Permanent relationships with one or more internationally-recognized foreign business schools in order to main curriculum quality, secure visiting professors, establish faculty and student exchange programs, develop future faculty resources and collaborate in research activities;
- ?? Programmatic focus on both graduate degree and non-degree programs so as to serve the needs of existing as well as future managers for Jordan and the Middle East's business sector;
- ?? Long term financial sustainability to be achieved through the design and implementation of a business plan consistent with the realities of the demand for its services and the school's commitment to maintain its standards at international levels.

US advisor relationship: The establishment of a strong advisory relationship with a leading U.S. business school will be critical to the success of the proposed graduate business school, both in order to establish a tradition of excellence and to gain the credibility of the business sector. Although the exact nature of the relationship will be subject to the specific needs of the Jordanian sponsor and the capabilities of the selected US partner, it is expected that advisory services would include the following:

- ?? Guidance in the development and execution of the school's final institutional design and initial operating plan, and possibly responsibility for the appointment of the Dean and the overall management of the school during the start-up phase of operations;
- ?? Advise on the development and approval of plans for the construction of facilities and the purchase of appropriate equipment for the eventual home of the new graduate school;
- ?? Staffing, primarily with expatriate faculty, of all initial programs offered by the new graduate school, and identification, selection and development of permanent faculty members to supplement and eventually replace all expatriate faculty by the end of year four;
- ?? Academic design of all teaching programs, including the overall program design and curricula, during the school's start-up phase;
- ?? Oversight and advice, or possibly direct management, of all educational programs during the start-up period, and training and transfer of program management responsibilities to local staff by the end of year three.

### ***Program and scope of activities***

**Degree programs:** It is expected that the new graduate business school would offer, at a minimum, the following degree programs:

- ?? Full-time “American style” MBA: This implies a course load of approximately 60 credit hours spread over two academic years, and the complete and full-time dedication of its participants to the exclusion of any other work-related activities. In practice, this means that participants, who would be expected to have a minimum of two or three years of full-time work experience following their undergraduate education and who would have satisfied minimum admissions requirements, would leave their jobs to become full-time students for two years, and would look for new (and presumably better-paying) jobs following their successful completion of the MBA program. It is expected that the school would initially offer one “section” of the full-time MBA program permitting all students to proceed through the curriculum as a single cohort. Following standard practice at leading business schools in the United States and Europe, the size of each cohort should not be less than 35 (minimum to break even) nor greater than 60. A new cohort of students would be admitted each year, such that the total enrollment of full-time MBA students would be between 70 and 120.
- ?? Part-time “Executive MBA”: This program can take a number of different formats, including both evening and week-end formats. It is generally equivalent to a full-time MBA in the total course load and number of credit hours, although the actual number of class sessions may be slightly reduced, and the total time from start to finish may be somewhat longer than the two academic years of the full-time MBA. The program is designed for working managers, usually occupying middle management positions and generally with seven or more years of full-time experience following their university studies. Participants are frequently sponsored by their employers. In recognition of their age and work experience, participants are frequently afforded program amenities which are not extended to the full-time MBAs – and charged a significantly higher tuition. Entrance and graduation requirements are identical to those in the day-time MBA. Depending of staffing, effective demand and scheduling considerations, a new cohort of between 35 and 60 students may be admitted either each year or every other year.

### **Non-degree programs**

Two different kinds of non-degree executive education programs should be considered by the new graduate business school, with final programming decisions made in response to the expressed wishes of the business community. Either kind of program may be offered both on an open-enrollment basis, with admissions open to any participant meeting admissions criteria, or in the form of a custom or in-company program open only to employees of the sponsoring organization, in which certain aspects of the curriculum are tailored to the specific needs of the sponsor.

- ?? *General management programs:* These programs generally last four weeks or more and are offered on a full or part-time basis as either a single integrated program or in modules. They cover all the basic functional areas of management (managerial accounting, marketing, finance, operations, organization, leadership, IT, etc.) as well as integrative courses such as competition and strategy and policy implementation. They are designed for middle and upper middle managers who are or will soon be moving into positions of cross-functional responsibility, and provide a solid exposure to general management for individuals who are unable to pursue a full MBA degree program.
- ?? *Specialization programs:* These programs are generally shorter, typically lasting no longer than one week (full or part-time), and focus on a single area of management such as marketing, finance, leadership, strategic planning, etc. They are generally designed for middle level managers charged with a single functional area and are designed to enable them to increase their knowledge and skill levels in that area.

#### Other activities

In addition to the various teaching programs described above, it would be expected that the new graduate school would be engaged in a series of professional activities which, in general, are focused on supporting the teaching mission of the school.

- ?? *Case writing:* The development of case studies to be used in the classroom is an activity which both assures the relevancy and applicability of the curriculum to local business conditions, and provides the instructor with an opportunity to better understand the reality of the business sector. It should be expected that all members of the faculty develop at a very minimum, one or two new cases each year for classroom use, and that each member of the school's sponsoring organization or Board of Trustees be willing to provide access to his or her own business for the purpose of case development.
- ?? *Contract research:* Opportunities for contract research may present themselves and provide an important opportunity for the school to earn additional income while contributing to its faculty's professional development. Contract research opportunities will also allow the school to maintain a somewhat larger and more diverse faculty since each member of the faculty will be able to divide his/her time between teaching and contract research, thus reducing the individual faculty member's teaching load and spreading the teaching over a larger faculty base.
- ?? *Faculty development:* In order to achieve sustainability and end reliance on visiting faculty from the partner institution within a reasonable time, the new school must design and implement a faculty development program. This would include sending promising faculty candidates for Ph.D. programs abroad and providing shorter and less formal faculty development workshops and seminars at the school. Local seminars or workshops might focus on the development and use of business case studies in management education, the use of electronic resources in teaching, student-centered learning methodologies, etc. Additional faculty development programs including the

mentoring of junior faculty by more experienced expat senior faculty in both course design and classroom behavior should also be integral parts of the faculty development program.

### **3. Graduate Business School Development Strategy**

The development of a new graduate business school along the lines suggested in the preceding paragraphs will require a combination of efforts by three partners: the Jordanian sponsoring organization (one of the public universities or an independent group interested in sponsoring the establishment of a new and independent business school as a not-for-profit organization); a US business school selected to act as advisor to the new graduate school, and USAID/Jordan.

#### ***Role of USAID/Jordan***

USAID/Jordan must assume responsibility for a number of initial tasks before it is able to pass responsibility to a Jordanian sponsoring organization and the US business school advisor. These activities must include:

- ?? Survey of US business schools in order to identify potential partners and develop a better understanding of their level of interest and requirements for entering into a partnership with a Jordanian graduate business school;
- ?? Final approval of the overall design for the project. This will include the development of a detailed business plan for the new graduate business school, revising and updating estimates made earlier, showing expected investment in facilities and equipment, levels of operation, and income and expenses, for each of the first five years of operation; and estimating the amount of financial support required from USAID in order to enable a Jordanian partner to implement the project;
- ?? Development of a Request for Applications by which interested Jordanian universities or other organizations may apply for support from USAID/Jordan to undertake the development of a new graduate business school with the help of a US advisor;
- ?? Meeting with all potential Jordanian partners to explain the purpose and scope of the USAID project and to invite those interested to prepare grant applications as required in the RFA;
- ?? Selection of the Jordanian organization to implement the project;
- ?? Development of a Request for Applications for grants to a US business school to act as an advisor to the new Jordanian graduate business school;
- ?? Selection of the US partner;
- ?? Negotiation of contracts with both partners for the development and initial operation of the new school, including a specific timeline for the initial delivery of the various management education programs and seminars, as well as for the presentation of detailed operating plans and budgets.

Once both partners have been selected, contracts have been signed and a management structure for the new school has been designed and staffed, responsibility for project implementation may be transferred to the management of the new school.

### ***Role and responsibilities of Jordanian partner***

All potential Jordanian partners interested in applying for USAID grant support to develop a new graduate business school will, or course, be required to develop and present an application for a grant in conformity with the Request for Applications to be issued by USAID. Part of this application will call for a formal commitment on behalf of the Jordanian partner to provide substantial initial funding for the new graduate business school and to present evidence of its willingness and capacity to establish the new school as an accredited, independent entity with sufficient operating flexibility to meet the requirements of the project.

Once selected, the Jordanian partner will be expected to carry out the following tasks prior to project implementation:

- ?? Formalize the legal establishment of the new graduate business school as either an autonomous division of an existing public university, or as a not-for-profit organization which is recognized and licensed (accredited) to offer graduate programs in business by Jordan's Council of Higher Education;
- ?? Implement any commitments made during the application stage in terms of capitalization of the project, purchase of land or leasing of existing building space;
- ?? Work closely with USAID in the design of an organizational structure, including the selection and installation of key senior management positions, and in the development of a Request for Applications for the US Advisor, including especially the roles and responsibilities to be assumed by the US advisor;
- ?? Participate, along with USAID in the final selection of the US partner institution, and collaborate actively with the selected US partner and USAID in the design of the project implementation plan and budget, as well as in the initial scheduling of the school's academic programs.

### ***Role and responsibilities of US advisor***

In accordance with the terms of the advisory role to be established by USAID in consultation with the Jordanian partner, the US business school selected to provide advisory services will assume the following roles and responsibilities:

- ?? Work with USAID and the Jordanian partner to finalize an operating plan and budget for the new school;
- ?? Assume responsibility for the appointment of either the Dean or another senior management advisory position in accordance with the organization and staffing plan agreed to between USAID and the Jordanian partner;

- ?? Direct or collaborate in the planning and execution of all initial education programs, including their promotion in Jordan and the Middle East, their staffing with primarily US expatriate faculty, and their execution;
- ?? All additional roles and responsibilities as described above under the sub-heading “organization”.

#### Special arrangement for non-degree executive programs

Most of the services to be provided by the US business school partner will be compensated following normal USAID procedures, which precludes the practice of supplementing a faculty member’s own income with consulting or executive education assignments. In order to increase the attractiveness of the partnership project to US business schools and their faculties, it is suggested that compensation for non-degree programs of executive education be handled differently.

During the period of time covered by the project, it is suggested that non-degree executive education programs be considered for administrative purpose to be offered in Jordan directly by the US business school, and that the US business school partner be paid participant tuitions which are consistent with those charged by the partner for its own non-degree programs in its own home market, plus any additional costs entailed due to international faculty travel. These fees will be paid to the US business school partner by the new graduate business school using a combination of tuition revenue received from executive education participants, and USAID tuition supplements.

This arrangement is proposed in order to address several of the goals and constraints of US business schools as presented earlier in this report:

- ?? By allowing the US partner school the opportunity to effectively offer its own executive education programs under the auspices of the Jordanian business school and USAID, the US partner will experience no disincentive to deploy faculty members to Jordan, since their marginal financial contribution to the school will be the same as if they were engaged in executive education programs at home;
- ?? By allowing faculty members teaching in such programs to teach directly under the auspices of their own school’s executive education program, they can be compensated according to their own school’s policies regarding faculty compensation in executive programs, and will not be limited to US Government daily rate ceilings. Such an arrangement will remove the disincentive for faculty members to forgo outside income while living in Jordan, or to travel to Jordan to participate in short-term executive education teaching assignments.

Under this arrangement, executive education programs would be considered as US business school-sponsored events for administrative purposes, but they would be advertised and promoted as part of the Jordanian school’s executive education program, offered in partnership with the US business school partner.

## ***Year 2002 action plan and schedule of activities***

In order to implement the Business School Development Project by November 14, 2002, an aggressive set of activities must be undertaken beginning immediately. By following the scheduled of activities suggested below, commitments with both a Jordanian sponsor and a US business school advisor may be signed and formal project implementation begin by November 14. Under this scenario, it is contemplated that at least one and perhaps two “prototype” non-degree executive programs would be presented between January and June, 2003, and that regular executive programs would commence in September, 2003. The first cohort of full-time MBAs would be recruited and accepted during the first semester of 2003, with classes beginning in August or September, 2003. The first EMBA cohort would either enter simultaneously with the full-time MBAs or in January, 2004.

### ***1. Survey of US business schools***

Development of a short list of between five and ten US business schools which may be interested and qualified to be considered as potential partners to a new graduate business school in Jordan, and to understand their objectives and constraints regarding such a partnership. (12 days ending March 22)

### ***2. Development of RFA for Jordanian partner***

Based on the present report and the Survey of US business schools, finalize overall design of project and develop RFA including necessary pre-conditions and commitments. (8 days beginning March 28 and ending April 19)

### ***3. Finalization of RFA for Jordanian partner***

Project personnel finalize technical and legal aspects of RFA, secure approval and prepare for release. (5 days, April 21-25)

### ***4. Visits to all potential Jordanian partners***

Follow-up visits to three public universities and sponsors of Middle East Business School visited earlier; initial visits to Mu'tah University and Jordan University of Science and Technology, to inform all parties of status of project and invite all to information meeting. (2 weeks, April 28 – May 9)

### ***5. Meeting of potential Jordanian partners; release of RFA***

Meeting with all potential Jordanian partners interested in submitting an application for grant to review project design, requirements, and competitive process. (1 day; May 19)

### ***6. Selection of Jordanian partner***

Selection of partner using previously announced selection criteria. (10 days after 6 week waiting period; June 30 – July 11)



**7. Negotiation of MOU with Jordanian partner**

Final negotiation of grant, including prior conditions, project timetable, etc. (5 days; July 14-18)

**8. Development and release of RFA for US b-school advisor**

Based on final design of BSDP and on needs of selected Jordanian partner, role and responsibilities for US business school advisor is defined and approved, and RFA for US business school advisor is developed. (10 days; July 7-18)

**9. Finalization & release of RFA for US b-school advisor**

Project personnel finalize technical and legal aspects of RFA; project approval and release. (5 days; July 21-25)

**10. Selection of US b-school advisor**

Using previously announced selection criteria, US business school advisor is selected. (10 days after 8 week waiting period: September 22-October 3)

**11. Negotiation of MOU with US b-school advisor**

Final negotiation of grant with US business school advisor. (10 days; Oct. 6-17)

**12. Project mobilization**

Jordanian and US partners prepare for project implementation. (20 days; Oct. 20-Nov. 14)

**13. Project implementation: Nov. 14, 2002**

Formal initiation of project, involving full-time commitment of initial personnel; initiation of program planning. It is expected that one or two executive programs will be held during the period January – June, 2003, and will continue on a regular basis beginning in September, 2003. The first full-time MBA program will begin in August or September, 2003, and the first Executive MBA will begin either in August, 2003 or January, 2004.

## **Appendix A: List of Interviews: January 19-24, 2002**

1. Laith Al-Qasem, CEO, Jordan Technology Group; Chairman, Young Entrepreneurs Association
2. Karim Kavar, President, IDEAL Group; Chairman, [Int@j](mailto:Int@j)
3. Sami Gammoh, Chairman, Jordan International Investment Group
4. H.E. Dr. Khaled Toukan, Minister of Education
5. Michael Nazzal, President, Jordan Hotel Association; Bassam Kawash, General Manager, Jordan Hotel Association; Ammar Kanaan, General Manager, Jordan Hospitality & Tourism Education Co., Ammon College For Hospitality & Tourism Education, Ammon Hotel
6. Yassar M. Toukan, General Manager, Amman World Trade Center
7. H.E. Dr. Salah Al-Basheer, Minister of Industry & Trade
8. Dr. Abdullah Al-Mousa, Vice President<sup>5</sup>, University of Jordan; Dr. Ahmad Majdoubeh, Director, Language Center; Prof. Mahmoud Al-Omar, Dean, Business School
9. Dr. Amin Mahmoud, President, Amman Ahlia University
10. Dr. Adeeb Haddad, General Director, Institute of Banking Studies
11. H.E. Dr. Walid Ma'ani, Minister of Higher Education<sup>6</sup>
12. Nadim Muasher, Chairman, Arab International Hotels
13. Dr. Ziad Fariz, CEO, Arab Banking Corporation (Jordan)

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<sup>5</sup> Dr. Al-Mousa, was appointed President of the University of Jordan two days after our visit.

<sup>6</sup> Dr. Ma'ani is the former President of the University of Jordan until his recent appointment as Minister of Higher Education.

14. (H.E.) Dr. Fayez E. Khasawneh, President, Yarmouk University, Irbid; Prof. Hisham Gharaibeh Vice President for Academic Affairs; Dr. Moh'd S. Subbarini, Vice President for Administrative Affairs; Dr. Refat Alfaouri, Dean of School of Economics & Administrative Sciences
15. Mohammed J. Al-Qassim, Director & General Manager, Bank of Jordan; Mohammad Anwar Hamdan, Assistant General Manager
16. Elia Nukul, President, Nuqul Group; member of MEBS sponsor group
17. Hind Othman, Director of Human Resources, Fastlink
18. Samih T. Darwazah, Chairman, HIKMA International; member of MEBS sponsor group
19. Prof. Anwar Battikhi, President, The Hashemite University; Ghassan Omet, Dean, faculty of Economics and Administrative Sciences

Figure 1: Business School Development Project Flowchart

